

ITC Change Management – 2008 progress report and priorities for 2009 (preliminary report)

1. Background to the change process

In response to the recommendations of the April 2006 ITC Evaluation, hereafter the Danish Report, the newly appointed Executive Director of ITC, who assumed office in June 2006, began a process of change management which is explained in the November 2007 Change Management Progress Report that was distributed at the Joint Advisory Group in December 2007. This note is an update on progress in 2008 and plans for 2009 and onwards.

It may be useful to recall that the Danish Report identified two main interconnected operational shortcomings requiring a change at ITC:

1. More country-specific projects – The document calls for “an increased scale of activities with greater priority for country programming would help to achieve better utilization of ITC products and could improve the return on the investment in the fixed costs of developing these products.”¹
2. More systematic needs assessment – The document describes a fragmented supply driven situation marked by the “proliferation of products or brand extension, some of which may be supply driven from the various sections of ITC, and some of which may be responsive to donor preferences.”²

The Denmark Report stressed that if ITC does not opt for growth through “developing greater emphasis on country-specific projects,” it “should become a smaller focused organization emphasizing global and generic products relying upon the regular budget.”³ It also called for an “MDG lens” in the design and implementation of its projects.

The document recommends the reexamination of the governance framework for ITC, which “over time ... has become attenuated and fragmented”.⁴ It considered that an “effective programme development, management and accountability for an increased scale of operation will be dependent on such reforms”.⁵

¹ Evaluation of the International Trade Centre UNCTAD/WTO, Synthesis Report, DMI Associates, April 2006, page 134

² Idem, page 103

³ Idem, page xix

⁴ Idem, page xv

⁵ Idem, page xv

The method that has been followed for reforming the ITC has been “evolution – not revolution”. As a result, there has been a progressive process in the way from moving from a fragmented organization to a programme based approach.

2. Progress during 2008

At the end of 2007, ITC reported to the JAG on the progress made in its change management activities. The 2007 progress report also set out a comprehensive programme of work for the coming 12 months. The purpose of this update is to document ITC’s progress against its 2008 change objectives, and provide a renewed set of priorities for 2009.

The table below summarizes ITC’s change management achievements against its 2008 objectives. In several areas ITC was able to progress further than originally planned, providing momentum for further improvements in 2009.

Priority Area	Objectives for 2008	Progress against 2008 objectives
Strategic planning	<ul style="list-style-type: none"> Develop a four year strategic plan Develop an operational plan for 2008 	<ul style="list-style-type: none"> ITC developed the Strategic Plan 2009/2012 and the Operational Plan 2008. It sets the framework for work to be performed by divisions and sections and constitutes the basis against which performance is monitored and assessed These are core components of a full range of key stages in an annual rolling process of planning, delivery and review.
Project cycle management	<ul style="list-style-type: none"> Introduce a project management cycle 	<ul style="list-style-type: none"> ITC proceeded with the consolidation of the evaluation stage of the project cycle with the formalization of an Evaluation Policy, and the strengthening of an independent evaluation function . On this basis a series of evaluations have been conducted.⁶ ITC received consultants’ report on Project Cycle Management. Full implementation rollout is taking place in 2009.

⁶ The list of evaluations conducted and their main findings are available in the ITC 2008 Evaluation Report

<p>Results based management</p>	<ul style="list-style-type: none"> • Develop and implement results based management processes 	<ul style="list-style-type: none"> • SMC began to receive monthly and quarterly finance and HR reports. • The Strategic Plan 2009 - 2012 introduces a new series of indicators at the output level.⁷ The purpose of these indicators is to improve design and impact of the basic deliverables of the ITC projects. • Mid and end year IMDIS monitoring on the indicators determined in the ITC Strategic Framework was completed. • Strategic framework objectives and results were integrated into the Strategic Plan and Operational Plan.
<p>Client survey</p>	<ul style="list-style-type: none"> • Carry out an updated client survey 	<ul style="list-style-type: none"> • The 2008 Client Survey built on the lessons learnt from the 2007 survey. It recorded an increased response rate to over 2,000. • Five business sections conducted detailed analyses of the responses and designed action plans. ITC staff coached to carry out survey on its own. • ITC commissioned positioning studies, which was discussed by relevant staff, of two business lines Business and Trade Policy, and Exporter Competitiveness taking into account views of survey.
<p>Human resources</p>	<ul style="list-style-type: none"> • Effective redeployment of ITC's human assets 	<ul style="list-style-type: none"> • ITC finalized its new organization structure. • The recruitment of Section Chiefs began in 2008, to be completed in 2009. • A new competency framework has been developed and agreed, which strengthens ITC's recruitment, staff appraisal and career development processes.

⁷ ITC Strategic Plan 2009 – 2012, ITC/AG(XLII)/221, October 2008, pp 17 & 18

Communication	<ul style="list-style-type: none"> • Launch the new ITC identity 	<ul style="list-style-type: none"> • Launched in 2008, ITC's new brand renews its commitment to trade development. • During 2008 ITC re-launched the printed and web-based FORUM magazine with a new format taking on board comments from the client survey and feedback from readers. • Developed branding material, web streaming and comprehensive media support for ITC events. • ITC has begun the important process of upgrading its provision of information and services via the internet. Web portals have been rationalized and standardized.
Client relationship management	<ul style="list-style-type: none"> • Develop a long term client relationship management approach 	<ul style="list-style-type: none"> • Developing new client relationship management strategy for the organization within the Resources and Partnership Group.
Additional areas of progress		<ul style="list-style-type: none"> • ITC's Division of Programme Support (DPS) carried out a change project to improve the efficiency of its key processes, and ITC endorsed the project's performance improvement plan. • ITC has developed an IT strategy that sets the foundation for a long-term information management system to underpin ITC strategic objectives and corporate wide system integration.

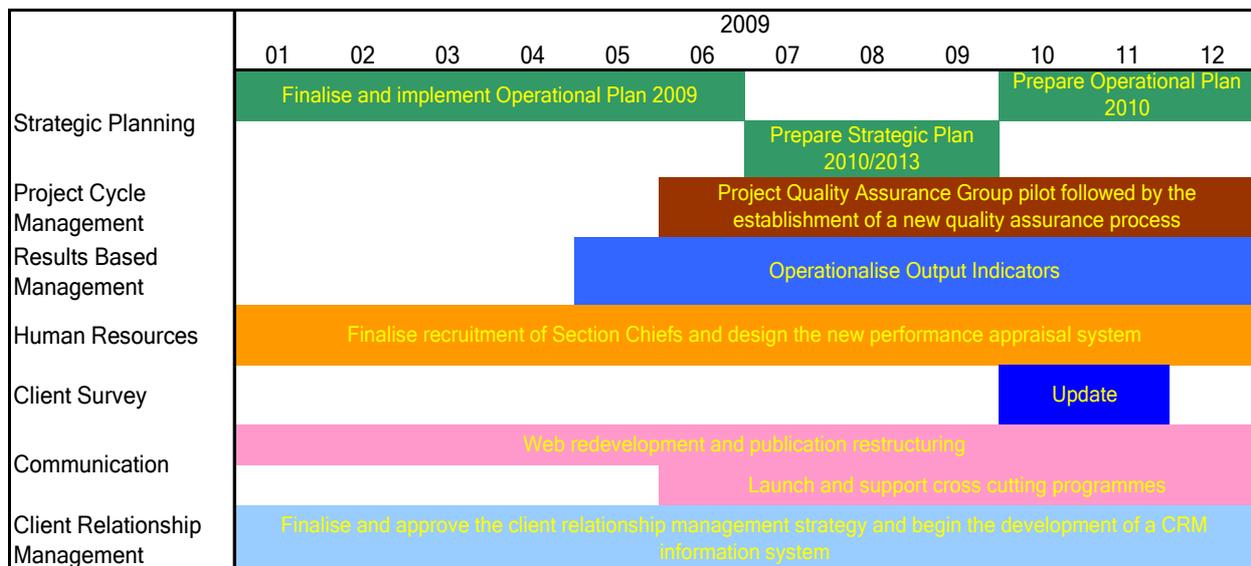
Mainstreaming sustainable development concerns – At JAG 2006 ITC committed to a goal of increasing its expenditure in Least Developed Countries (LDCs) Land Locked Developing Countries and Small Island States (LLDCs&SIDS) to 50% of its budgetary resources. As shown in the 2008 Draft Annual Report, Addendum 2 Statistical Tables, Table 4 Chart C spending in LDCs, LLDCs & SIDS has increased in 2008 and ITC is approaching the target. In addition to ITC's greater focus on LDCs, the organization has targeted specific sectors with a strong potential for reducing poverty within LDCs. In this context, special attention has been devoted to the role of trade and re-building the economic and institutional infrastructure in post-conflicts countries, in particular in Liberia. The rebuilding process in these countries takes time and so immediate impact on exports and trade should not be automatically expected.

In terms of addressing poverty issues, ITC began to develop programmes with 'poverty' in their title – notably the Export-related Poverty Reduction Programme (EPRP), the components of which currently assist some 34,000 poor individuals and their families. Since then, many more programmes and projects have been developed which recognize and bring into reality the benefits which even the poorest and remotest communities and enterprises can gain from links to global markets.

ITC's contribution to eradicate hunger has focused on two main areas: (a) the promotion of smallholder crops for export (mainly in Ethiopia, Haiti, Mali and Rwanda) and (b) sustainable tourism.

3. Priorities for 2009

The operational priorities of the organization for 2009 are summarized in the chart below and developed with more details in the paragraphs below:



Strategic planning and results based management – With the completion of the Strategic Plan 2009/2012, ITC has put in place a four component planning and reporting structure comprising the Strategic Plan, Consolidated Programme Document (CPD), Operational Plan and Annual Report. ITC will finalize and implement the Operational Plan 2009, which will be the first to be influenced by the new Strategic Plan. The Strategic Plan 2010-2013 will be drafted in the middle of 2009. The new Plan will evolve from the thinking in 2008 significantly supplemented by the experience of 2009 together with the changing international context. The CPD will then reflect the link between the 2009 OPS plan and the aspirations of the four-year Strategic Plan.

Project management cycle – ITC is committed to introduce a common approach to project design including also the need to establish a quality assurance process. The Project Management Cycle is functional in terms of ensuring the use of these criteria into the design, delivery and evaluation of projects. The newly created Project Quality Assurance Group (PQAG) is currently working on establishing a quality frame for projects including common standards to enhance the performance of each stage of the project cycle. By the end of August 2009, this Group is mandated to:

- Test and confirm project template;
- Recommend a standard Project Proposal structure, based on the good practice assessed;
- Recommend good practice to be adopted within Divisions and at SMC.

Result based management – ITC is nearing the completion of the installation of a comprehensive RBM. By 2010, there will be clear links between:

- The Personal Appraisal System (PAS) of individuals,
- Project plans,
- Section / Division plans,
- The Operational Plan, and,
- The Strategic Plan.

This will be enhanced over the following four years (2010-2013).

Client survey – ITC will continue its client survey programme. Individual sections will be trained to assess their performance through the data available from the survey. 2009 is the third year of a three-year process at the end of which ITC staff will have conducted the entire client survey through a transfer of capacity building from the consultants to ITC.⁸

Human resources – A key focus area for ITC will be performance development. Staff will be better trained and supported through improved processes for building stronger client relationships, project management and performance appraisal. The comprehensive implementation of the Performance Appraisal System (PAS) will identify the training needs of staff as well as confirm the rates of progress being achieved.

Communication – ITC will continue with its comprehensive web redevelopment and review of its publications programme. A key activity will be to launch and support cross cutting websites for programmes such as Aid for Trade and Women in Trade.

Client relationship management – ITC will finalize its client relationship management strategy and begin implementation. In line with its new organizational structure, ITC will begin to centralize its complex web of client relationships to fully realize their potential, including development of an industry standard Client Relationship Management (CRM) system. The work will involve identifying ITC clients and counterparts and assigning relationship managers, determining the business practices and processes necessary to manage these relationships, and the initial development of a CRM system.

Enhanced financial reporting - With the new ITC Trust Fund, ITC will continue to enhance its financial and substantive reporting.

⁸ In the future it is likely that the interpretation of the data will still be validated externally to ensure the integrity and independence of the analysis.

Substantive areas of work:

In 2009, ITC will further refine its Business Lines/Tools and products through research and development, enhanced approaches to learning through e-learning platforms, greater outreach through new global products, improved contribution to MDG indicator monitoring through the “Buy for Development” programme; and state of the art research on NTMs.

ITC will scale up its global public goods. To spread the understanding and transparency of how markets work, it is critical that all developing countries have access to as many of ITC’s services as possible and ITC will build globally accessible and user-friendly solutions through modern communication systems.

On **impact at the country level**, ITC will concentrate efforts on those who need it the most: the LDCs in particular. ITC is actively engaged within the EIF by strengthening national capacity in programme design and management. Effective solutions will combine ITC country-focused competences together with its five business lines. Increasingly, ITC expects to be designing country solutions from two starting positions, national export strategies and vertically integrated sector strategies

ITC will continue working to **build the linkage between trade and sustainable development**. We have accumulated a proven track record using trade to achieve sustainable development. Successful experiences include poverty alleviation, empowering women exporters, ethical trade and green trade. ITC will further promote knowledge and action on trade & MDGs through international advocacy networks

Aid for trade: As a result of discussions prior to and during the WTO Global Review, ITC will be required to play a much more important and active role in the Aidfortrade arena by providing the “private sector voice” to the WTO’s Aidfortrade agenda.

4. Full report on change management

A first progress report on change management was received by JAG 2007. Other progress has been reported in the Annual Reports 2007 and 2008. This preliminary report for the biennium 2008-2009 begins the process of bringing the story so far up to date. JAG 2009 will receive a fuller report in order that ITC accounts for its progress to date and provides a clear road map for progress over the next UN biennium.

The attached annex provides a brief summary assessment of progress on the recommendations of the ITC External Evaluation that are applicable to the ITC Secretariat. The full report on the change management will expand on these assessments as well as arriving at major conclusions and priorities for future action.

Annex

Danish Evaluation Report Recommendations (applicable to ITC Secretariat)	Status
•ITC tools – costs and benefits	
• <u>Eval recom 6 (1)</u> : Ensure product relevance and cost-effectiveness and avoid unnecessary proliferation through more systematic needs assessments, tighter cost measurement and monitoring of utilisation	in progress
• <u>Eval recom 24</u> : Improve product and project cost measurement and ensure monitoring and review by one of ITC’s supervisory bodies	in progress
• <u>Eval recom 25</u> : Establish a strategic marketing and priority identification function to advise on launching or discontinuing products on the basis of systematic needs assessments. Maintain relevance and focus of ITC operations and strengthen higher level outcomes and impacts	in progress
•Results-based management	
• <u>Eval recom 15</u> : Implement RBM as a priority and develop an appropriate performance management framework at the corporate level based on the logical framework analysis, with a structured set of indicators for monitoring and assessing results	in progress
• <u>Eval recom 16</u> : Use a logical framework matrix for all major programmes under the Global TF	not applicable
• <u>Eval recom 17</u> : Develop indicators for monitoring results and achievement of objectives, including for the use of ITC partner agencies and end-users in beneficiary countries	in progress
• <u>Eval recom 18</u> : Strengthen and make independent ITC’s evaluation function	completed
• <u>Eval recom 19</u> : Consider re-instituting regular independent programme/sub-programme evaluations for review by an expert core body of the governance structure	completed
• <u>Eval recom 11</u> : Move to a single fiscal year for ITC operations and prepare an integrated programme and budget covering all ITC operations (whether financed from the regular budget or extra-budgetary sources)	completed in progress
•ITC/UNCTAD/WTO relationship	
• <u>Eval recom 4</u> : Review the current overload of technical oversight mechanisms appropriate to UN secretariat bodies with a view to releasing some of ITC’s staff resources for performance-oriented programme management	in progress
• <u>Eval recom 32</u> : Build on and sustain cooperation with WTO and UNCTAD particularly through the establishment of relationships among the new leadership of all three organisations and the consolidation of coordination at operational level	completed
•ITC performance standards	
• <u>Eval recom 27</u> : Engage TSI partners in the development of an overall ITC performance management framework centred on the identification of intended results and objectively verifiable indicators, together with a system that allows TSI partners to monitor and report on results	in progress
• <u>Eval recom 28</u> : Set performance standards for partnering organisations as a condition of their certification to partner with ITC.	not applicable
• <u>Eval recom 29</u> : Develop analysis of TPO/TSI performance indicators	completed
• <u>Eval recom 30</u> : Work with TPO/TSI partners to develop indicators to monitor results for poverty reduction, gender equality and environmental sustainability	completed
• <u>Eval recom 31</u> : Increase support to strengthen TSIs’ sustainability	completed

•ITC responses to MDGs	
• <u>Eval recom 7</u> : Institute an « MDG lens » as an operational tool in the development and implementation of all programmes and projects	in progress
• <u>Eval recom 8</u> : Develop a structured set of indicators to measure results, including in terms of trade development, poverty reduction and gender equality, at all levels, and establish a reporting and monitoring system that includes ITC programme delivery partners	in progress
• <u>Eval recom 26</u> : As part of the « MDG lens », explore innovative programmes that could improve the export readiness of enterprises from the informal sector, with special benefits for lower income groups and women entrepreneurs	in progress
•Country, regional and global programmes	
• <u>Eval recom 6 (2)</u> : Develop and implement more country-specific projects to complement ITC's support to global products and networks. Increase the overall scale of ITC activities to allow an adequate minimum level of operations in a selected number of individual countries and overall economies of scale	completed
• <u>Eval recom 9</u> : To the extent that other key management and institutional reforms are implemented and that resources are available, strengthen ITC's focus on country-level operations	completed
• <u>Eval recom 33</u> : Build and sustain new partnerships to develop new programming related to poverty reduction and gender equity	in progress
• <u>Eval recom 34</u> : Strengthen field presence at country level to better interact with development partners and provide greater continuity in country-level operations	completed
•New focus groups: human resources and administrative processes	
• <u>Eval recom 20</u> : Review purpose and objectives of the human resources management function	completed
• <u>Eval recom 21</u> : Develop a set of managerial competences as a basis for recruitment, staff development and promotion	completed
• <u>Eval recom 22</u> : Introduce performance indicators in the performance appraisal system	in progress
• <u>Eval recom 23</u> : Enhance consultants' roster by improving information base	in progress